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Thomas J. Gearing, Esq. (SBN 121473) Law Offices of Thomas J. Gearing 9000 South Las Vegas Blvd., Ste. 2060 Las Vegas, NV 89123 Tel: (702) 837-0766 Email: thomasgearing@aol.com CLERK, U.S. DISTRICT COURT

JUN | 9 2012

CENTRAL DISTRICT OF CALIFORNIA DEPUTY

Attorneys for Plaintiffs ROSEMARY GEARING as Trustee of the T.J.G. Private Annuity Trust and In Propria Persona

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

ROSEMARY GEARING as Trustee of the T.J.G. Private Annuity Trust, and THOMAS GEARING, individually, Case No.: CV 12-5039 PA (MANx) The Honorable Percy Anderson Courtroom 15

Plaintiffs,

VS.

CHINA AGRITECH, INC., YU
CHANG, YAU-SING TANG,
GENE MICHAEL BENNETT, XIAO
RONG TENG, MING FANG ZHU,
ZHENG "ANNE" WANG, CHARLES
LAW, LUN ZHANG DAI, HAI LING
ZHANG, KABANI &
COMPANY,INC., CROWE
HORWATH LLP, RODMAN &
RENSHAW, LLC, and DOES 1-100,

FIRST AMENDED COMPLAINT

Notice of Removal filed: 06/08/12

BUT NOT FILED

JUN 1 9 2012

CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALL FORMIA
WESTERN DIVISION
BY

DEPUTY

RECEIVED

Defendants.

Plaintiffs Rosemary Gearing as Trustee of the T.J.G Private Annuity Trust and Thomas Gearing hereby submit their First Amended Complaint, which is attached herewith as Exhibit A. Plaintiffs request that the First Amended

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FIRST AMENDED COMPLAINT

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Case 2:12-cv-05039-RGK-PJW Document 11 Filed 06/19/12 Page 2 of 20 Page ID #:132

PLD-PI-001

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):	FOR COURT USE ONLY
Thomas J. Gearing, Esq. (SBN 121473)	
Law Offices of Thomas J. Gearing 9000 South Las Vegas Blvd., Ste. 2060	
Las Vegas, NV 89123	
TELEPHONE NO: (702) 837-0766 FAX NO. (Optional): E-MAIL ADDRESS (Optional): thomasgearing@aol.com	
ATTORNEY FOR (Name): Rosemary Gearing as Trustee and Thomas Gearing	
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Los Angeles	
STREET ADDRESS: 1725 Main Street	
MAILING ADDRESS:	
CITY AND ZIP CODE: Santa Monica 90401	·
BRANCH NAME: West District	
PLAINTIFF: Rosemary Gearing as Trustee of the T.J.G Private Annu	
ity Trust and Thomas Gearing	
DEFENDANT: China Agritech, Inc., Yu Chang, Yau-Sing Tang, Gene	
Michael Dannett, Vice Dana Tona Mina Fona 7h., 7h	
Whender Definett, Alao Rong Teng, Ming Pang Zhu, Zh	·
Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zh DOES 1 TO 100 Ming Ming Charles Law, Lunzheng Dai, Hai Ling Zhang, Katani & Company, Inc., Cirow Horse Ling.	
COMPLAINT Remshaw, LLC	
AMENDED (Number): One	
Type (check all that apply):	
MOTOR VEHICLE OTHER (specify): Fraud, Negligence, Unjust	
Property Damage Wrongful Death Enrichment	
Personal Injury Other Damages (specify): Punitive Damages	
Jurisdiction (check all that apply):	CASE NUMBER:
ACTION IS A LIMITED CIVIL CASE	
Amount demanded does not exceed \$10,000	SC117290
exceeds \$10,000, but does not exceed \$25,000	·
ACTION IS AN UNLIMITED CIVIL CASE (exceeds \$25,000)	
ACTION IS RECLASSIFIED by this amended complaint	
from limited to unlimited	
from unlimited to limited	
1 Plaintiff (name or names): December Cooping as Trustee of the T.I.C. Drivete	Annuity Tweet and Thomas Goorias
1. Plaintiff (name or names): Rosemary Gearing as Trustee of the T.J.G. Private	Annulty Trust and Thomas Gearing
alleges causes of action against defendant (name or names):	W. D. W. D. W.
China Agritech, Inc., Yu Chang, Yau-Sing Tang, Gene Michael Bennett,	
2. This pleading, including attachments and exhibits, consists of the following number of pag	es: 18 Anne "Wang, Charles Law, Lun 2hang
Each plaintiff named above is a competent adult	Dan, Hat Ling Zhang, Katani & Company, Inc., Crave Herivath LLP, Radman
a. except plaintiff (name): Rosemary Gearing who was a citizen of Calif	fornia at all times mentioned Renshaw, Lic
(1) a corporation qualified to do business in California	
(2) an unincorporated entity (describe):	
(3) a public entity (describe):	•
(4) a minor an adult	
(a) for whom a guardian or conservator of the estate or a guardi	an ad litem has been appointed
(b) other (specify): Residence: 2598 S. Westgate Ave.,	LA. CA 90064
(5) other (specify): Trustee of the T.J.G. Private Annuity Trust	
b. except plaintiff (name):	
(1) a corporation qualified to do business in California	
(2) an unincorporated entity (describe):	
· · · · · · · · · · · · · · · · · · ·	
(a) for whom a guardian or conservator of the estate or a guardia	an ad litem has been appointed
(b) other (specify):	
(5) other (specify):	
Information about additional plaintiffs who are not competent adults is shown in Attac	hment 3. Page 1 of 3

		PLD-PI-001
SHORT TITLE:		CASE NUMBER:
Gearing v. China Agritech		SC117290
Plaintiff (name): is doing business under the fictitious name (specify):		
and has complied with the fictitious business name laws. 5. Each defendant named above is a natural person a.	(1) a bu (2) a co	lant (name): Crowe Horwath LLP siness organization, form unknown rporation nincorporated entity (describe):
(4) a public entity (describe):	(4) a pu	blic entity (describe):
(5) other (specify):	(5) 🗸 othe	r (specify):
		mited liability partnership attachment
 b. except defendant (name): Kabani & Company, (1) a business organization, form unknown (2) a corporation (3) an unincorporated entity (describe): 	(1) a bu (2) a co	lant (name): Rodman & Renshaw siness organization, form unknown reporation nincorporated entity (describe):
(4) a public entity (describe):	(4) a pu	blic entity (describe):
(5) other (specify):	(5) 🗸 othe	r (specify):
See Attachment	A li	mited liability company. See attac
Information about additional defendants who are not natu	ral persons is contained i	n Attachment 5.
6. The true names of defendants sued as Does are unknown to p	plaintiff.	
a. Doe defendants (specify Doe numbers): 1-50 named defendants and acted within the scope of that	were tagency or employment.	e the agents or employees of other
b. Doe defendants (specify Doe numbers): 50-100 plaintiff.	are p	ersons whose capacities are unknown to
7. Defendants who are joined under Code of Civil Procedur	e section 382 are <i>(names</i>	s):
8. This court is the proper court because		
a.		ssociation is in its jurisdictional area
c. injury to person or damage to personal property occur d. other (specify):		
The cause of action arose in this jurisdiction	nal area. At the time	that plaintiffs received defendants'
fraudulent statements and the times that pla		
were in area code 90064 and 90067. 9. Plaintiff is required to comply with a claims statute, and		•
a has complied with applicable claims statutes, or		
b. is excused from complying because (specify):		

		PLD-PI-001
HORT TITLE:	CASE NUM	\$68
		SC117290
earing v. China Agritech	40000000000000000000000000000000000000	and a sign of the contract of
The following causes of action are attached and the statements above apply to e	ach (each comp	laint must have one or more
causes of action attached):		
a Motor Vehicle		
b General Negligence		
c. Intentional Tort		
d. Products Liability		
e. Premises Liability		
f. Other (specify):	iin almanio se el	Dunitiva Damages
Fraud, Negligent Misrepresentation, Unjust Enrichment, R	escission and	I dillette ryannagen.
Plaintiff has suffered	•	
a		-
b. Sos of use of property c. Shospital and medical expenses	7	
	4	
d. 171 general damage e. properly damage		
f. loss of earning capacity		
g other damage (specify):	- 4	
UP TO THE PROPERTY OF THE PROP		
Punitive Damages		
annum Colon	. the deceased :	ara
The damages claimed for wrongful death and the relationships of plaintiff to) (116 achtanea r	
a. iisted in Attachment 12. b. as follows:		
b. as follows:		
The relief sought in this complaint is within the jurisdiction of this court		
The relief sought in this complaint is within the jurisdiction of this court		
The relief sought in this complaint is within the jurisdiction of this court		
	uitable; and for	
Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and eq	uitable; and for	
Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and eq a. (1) \[\forall \] compensatory damages (2) \[\forall \] punitive damages \((3) \) \[\forall \] \(\forall \) \[\forall \]		
Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and eq)):
Plaintiff prays for judgment for costs of suit; for such reliaf as is fair, just, and eq a. (1) compensatory damages (2) punitive damages (3) Accission The amount of damages is (in cases for personal Injury or wrongful death, yo (1) according to proof)):
Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equal (1) compensatory damages (2) punitive damages (3) Accission The amount of damages is (in cases for personal injury or wrongful death, yo)):
Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equal to a. (1) compensatory damages (2) punitive damages (3) Accission The amount of damages is (in cases for personal injury or wrongful death, you according to proof (2) in the amount of: \$ 203,000	u must check (1	
Plaintiff prays for judgment for costs of suit; for such reliaf as is fair, just, and eq a. (1) compensatory damages (2) punitive damages (3) Acciscle II The amount of damages is (in cases for personal injury or wrongful death, yo (1) according to proof	u must check (1	
Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equal to a. (1) compensatory damages (2) punitive damages (3) Accission The amount of damages is (in cases for personal injury or wrongful death, you according to proof (2) in the amount of: \$ 203,000	u must check (1	
Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equal to a. (1) compensatory damages (2) punitive damages (3) a regular or wrongful death, you according to proof (1) according to proof (2) in the amount of \$ 203,000	u must check (1	
Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equal to a. (1) compensatory damages (2) punitive damages (3) Accission The amount of damages is (in cases for personal injury or wrongful death, you according to proof (2) in the amount of: \$ 203,000	u must check (1	
Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equal to a. (1) compensatory damages (2) punitive damages (3) Accission The amount of damages is (in cases for personal injury or wrongful death, you according to proof (2) in the amount of \$ 203,000 The paragraphs of this complaint alleged on information and belief are as for personal injury or wrongful death, you according to proof (2) In the paragraphs of this complaint alleged on information and belief are as for personal injury or wrongful death, you according to proof (2) In the paragraphs of this complaint alleged on information and belief are as for personal injury or wrongful death, you according to proof (3) In the paragraphs of this complaint alleged on information and belief are as for personal injury or wrongful death, you according to proof (3) In the personal injury or wrongful death, you according to proof (4) In the personal injury or wrongful death, you according to proof (5) In the personal injury or wrongful death, you according to proof (6) In the personal injury or wrongful death, you according to proof (7) In the personal injury or wrongful death, you according to proof (8) In the personal injury or wrongful death, you according to proof (9) In the personal injury or wrongful death, you according to proof (9) In the personal injury or wrongful death, you according to proof (9) In the personal injury or wrongful death, you according to proof (9) In the personal injury or wrongful death, you according to proof (9) In the personal injury or wrongful death, you according to proof (10) In the personal injury or wrongful death, you according to proof (11) In the personal injury or wrongful death, you according to proof (12) In the personal injury or wrongful death, you according to proof (13) In the personal injury or wrongful death, you according to proof (14) In the personal injury or wrongful death, you according to proof (15) In the personal injury or wrongful death, you according t	u must check (1	
Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equal (1) compensatory damages (2) punitive damages (3) Accission The amount of damages is (in cases for personal injury or wrongful death, you (1) according to proof (2) in the amount of \$ 203,000 The paragraphs of this complaint alleged on information and belief are as for	u must check (1	

Damage, Wrongful Death

Case 2:12-cv-05039-RGK-PJW Document 11 Filed 06/19/12 Page 6 of 20 Page ID #:136

	IVIC-025
SHORT TITLE:	CASE NUMBER:
Gearing v. China Agritech	SC117290

ATTACHMENT (Number): 5

(This Attachment may be used with any Judicial Council form.)

- 5b. Defendant Kabani & Company, Inc., at all times relevant, was and is a California corporation with its principal place of business located at 6750 Andover Lane, Los Angeles, CA 90045.
- 5c. Defendant Crowe Harwath LLP, at all times relevant, was and is a California limited liability partnership, with its principal place of business in Sherman Oaks, California as they advertise the Crowe Horwath LLP network consisting of 150 independent accounting and management consulting firms.
- 5d. Defendant Rodman & Renshaw, LLC, at all times relevant was and is a Delaware limited liability company.

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

Page 4 of 18 (Add pages as required)

Case 2:12-cv-05039-RGK-PJW Document 11 Filed 06/19/12 Page 7 of 20 Page ID #:137

			·	PLD-C-001(3)
SHORT TITLE:			CASE NUMBER:	
Gearing v. China Agritech			SC117	290
First CAU	SE OF ACTION	ON—Fraud	<u> </u>	
(number) ATTACHMENT TO Complaint	Cross-Complaint			
(Use a separate cause of action form for each o	cause of action.)			
FR- 1. Plaintiff (name): Rosemary Gearing	g as Trustee of the	e T.J.G. Private	Annuity Trust and	Thomas Gearing
alleges that defendant (name): China	Agritech, Inc., Cl	hang, Tang, Be	nnett, Teng, Zhu, W wath LLP, Rodmon ollows:	ang, Law, Dai,
on or about (<i>date</i>): 02/03/2011	defra	auded plaintiff as f	ollows:	, .
FR-2. Intentional or Negligent Misrep a. Defendant made representation		✓ as stated	in Attachment FR-2.a	as follows:
b. These representations were in f	act false. The truth w	vas ✓ as s	tated in Attachment FR-2	.b as follows:
			•	
100				
c. When defendant made the repredefined and the common defendant knew they we				
defendant had no reason	nable ground for belie	eving the represen	tations were true.	
 d. Defendant made the represent in item FIR-5. At the time plathey were true. Plaintiff acted in 	aintiff acted, plaintiff	did not know th	e representations were f	t as described alse and believed
FR-3. Concealment				
a. Defendant concealed or suppres	ssed material facts	✓ as state	d in Attachment FR-3.a	as follows:
b. Defendant concealed or suppres				
☐ defendant was bound to ☐ by telling plaintiff other fa		iff and prevent plai	ntiff from discovering the	concealed
or suppressed facts. c. Defendant concealed or suppres				
as described in item IFIR-5. At the	ne time plaintiff acted	l, plaintiff was una	ware of the concealed or	suppressed
facts and would not have taken t	ne action if plaintiff h	iad known the fact	S.	Page <u>5</u>
				

Case 2:12-cv-05039-RGK-PJW Document 11 Filed 06/19/12 Page 8 of 20 Page ID #:138

	PLD-C-
HORT TITLE: Gearing v. China Agritech	SC117290
	SC11/290
First CAUSE OF ACTION—	–Fraud
(number)	
FR-4.	any intention of performing it as stated
	0
 b. Defendant's promise without any intention of performance was plaintiff to rely upon it and to act as described in item FR-5. At defendant's intention not to perform the promise. Plaintiff acte 	t the time plaintiff acted, plaintiff was unaware of
FR-5. In justifiable reliance upon defendant's conduct, plaintiff was induced to as follows:	to act 📝 as stated in Attachment FR-5
FR-6. Because of plaintiff's reliance upon defendant's conduct, plaintiff has be Attachment FR-6 as follows: \$203,319.35	peen damaged as stated in
1	
FIR - 7. Other:	
The facts stated in the supplemental attachment attached he reference into any and all causes of action stated in this fire	nerewith are hereby incorporated as arst amended complaint. See attachment.

Case 2:12-cv-05039-RGK-PJW Document 11 Filed 06/19/12 Page 9 of 20 Page ID #:139

SHORT TITLE: Gearing v. China Agritech CASE NUMBER: SC117290		IVIC-U25
Gearing v. China Agritech SC117290	SHORT TITLE:	CASE NUMBER:
		SC117290

ATTACHMENT (Number): FR-2a

(This Attachment may be used with any Judicial Council form.)

Defendants and each of them conspired and communicated with each other to create a common plan to defraud United States investors and the plaintiffs as follows: The defendants by way of reverse merger merged themselves into China Agritech's corporation. They represented by verbal communications, publications, financial statements that they were a very successful fertilizer company, had many operational factories in China, were producing large quantities of agricultural products, and had profits 10 times its actual revenue for fiscal 2009 and14 times its actual revenue for fiscal 2008. False financial statements were prepared by the defendants and these false financial statements were filed with the United States Securities Exchange Commission ("SEC").

At all times relevant defendants and each of them, individually and through their friends and families and agents, held large quantities of China Agritech stock, which became unjustly inflated in value due to their intentional wrongful acts, and benefited extraordinarily when they sold the stock at the unjustifiable inflated price before their fraud was discovered and the stock crashed to \$0.65.

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

Page 7 of 18
(Add pages as required)

Case 2:12-cv-05039-RGK-PJW Document 11 Filed 06/19/12 Page 10 of 20 Page ID #:140

	IVIC-025
SHORT TITLE:	CASE NUMBER:
Gearing v. China Agritech	SC117290

ATTACHMENT (Number): FR-2b

(This Attachment may be used with any Judicial Council form.)

The truth was that each defendant knew and understood that the factories were closed, boarded up, non-functional, some had only small amount of manufacturing equipment, that the factories were producing any agricultural products were producing extremely less quantities than claimed, that they were exchanging false contracts between their families friend and agents to make it appear like they were conducting legitimate businesses, that they filed official reports with China State Administration of Taxation and State Administration of Industry and Commerce reflecting income 1000% less than the documents reflecting their financial income with the SEC. The defendants also kept two separate sets of financial books, one with the actual income and expense records and one with a complete fraudulent income and expense records. When defendants' fraudulent scheme was discovered, China Agritech's stock, which at one time traded for \$30, dropped to \$.65, which is where it is trading as of June 5, 2012.

At all times relevant defendants and each of them, individually and through their friends and families and agents, held large quantities of China Agritech stock, which became unjustly inflated in value due to their intentional wrongful acts, and benefited extraordinarily when they sold the stock at the unjustifiable inflated price before their fraud was discovered and the stock crashed to \$0.65.

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

Page 8 of 18

(Add pages as required)

Case 2:12-cv-05039-RGK-PJW Document 11 Filed 06/19/12 Page 11 of 20 Page ID #:141

·	IVIC-U25
SHORT TITLE:	CASE NUMBER:
Gearing v. China Agritech	SC117290

ATTACHMENT (Number): FR-3a

(This Attachment may be used with any Judicial Council form.)

The defendants concealed that the factories were closed, boarded up, non-functional, some had only small amount of manufacturing equipment, that the factories were producing any agricultural products were producing extremely less quantities than claimed, that they were exchanging false contracts between their families friend and agents to make it appear like they were conducting legitimate businesses, that they filed official reports with China State Administration of Taxation and State Administration of Industry and Commerce reflecting income 1000% less than the documents reflecting their financial income with the SEC. The defendants concealed that they kept two separate sets of financial books, one with the actual income and expense records and one with a complete fraudulent income and expense records.

At all times relevant defendants and each of them, individually and through their friends and families and agents, held large quantities of China Agritech stock, which became unjustly inflated in value due to their intentional wrongful acts, and benefited extraordinarily when they sold the stock at the unjustifiable inflated price before their fraud was discovered and the stock crashed to \$0.65.

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

Page ______ of _______(Add pages as required)

Case 2:12-cv-05039-RGK-PJW) Document 11 Filed 06/19/12 Page 12 of 20 Page ID #:142

	IVIC-025
SHORT TITLE:	CASE NUMBER:
Gearing v. China Agritech	SC117290

ATTACHMENT (Number): FR-4a

(This Attachment may be used with any Judicial Council form.)

Defendants and each of them promised as follows: They represented by verbal communications, publications, financial statements that they were a fertilizer company, had many operational factories in China, were producing large quantities of agricultural products, and had profits 10 times its actual revenue for fiscal 2009 and 14 times its actual revenue for fiscal 2008.

At all times relevant defendants and each of them, individually and through their friends and families and agents, held large quantities of China Agritech stock, which became unjustly inflated in value due to their intentional wrongful acts, and benefited extraordinarily when they sold the stock at the unjustifiable inflated price before their fraud was discovered and the stock crashed to \$0.65.

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

Page 10 of 18
(Add pages as required)

Case 2:12-cv-05039-RGK-PJW Document 11 Filed 06/19/12 Page 13 of 20 Page ID #:143

	IVIC-025
SHORT TITLE:	CASE NUMBER:
Gearing v. China Agritech	SC117290

ATTACHMENT (Number): FR-5

(This Attachment may be used with any Judicial Council form.)

Plaintiff Thomas J. Gearing, an individual, purchased a total of 35,207 shares of CAGC stock on January 24, 25, and 27, 2011 at artificially inflated prices based upon CAGC's financial records filed with the United States Securities Exchange Commission ("SEC") and numerous press releases and statements issued by CAGC and its officers and directors. Upon the disclosure of defendants' fraudulent act, on February 8, and February 9, 2011, respectively plaintiff Thomas J. Gearing sold 34,607 shares of CAGC stock at a loss and suffered damages as a result of the false and/or misleading and/or negligent statements and/or material omissions alleged herein.

Upon the disclosure of defendants' fraudulent act, on or about February 8, 2011 and February 9, 2011, the Thomas J. Gearing Private Annuity Trust now T.J.G. Private Annuity Trust sold a total of 34,607 shares of CAGC stock, which shares were acquired on January 24, 25, and 27, at a loss at the price of \$9.13 to \$9.50 per share.

CAGC continued to vehemently deny the allegations of fraud publicly and issued another press release responding to misleading allegations on February 10, 2011. CAGC asserted among several other things that "the Company's factories are "fully operational and functional and revenues which have been reported in accordance with U.S. GAAP and audited by independent accountants are accurate." CAGC further asserted that its filings with the SEC are "accurate, correct and have been audited by independent accounting firms."

CAGC further refuted the allegations stating that "the Company's factories are fully operational, functioning and none are or have been for sale", that "[a]ll of these facilities are operating normally, that "[i]n addition to the Company's independent auditors, a number of analysts, media, and professional investors have visited the Company's production facilities, and that "the Company's Harbin facility has never been listed for sale." CAGC further confirmed that it "has the necessary licenses for the production of all of its fertilizer products" and "has obtained the necessary Formal Fertilizer Registration Certificate for all of our fertilizer products from the PRC Ministry of Agriculture. In response to the allegation that suppliers cannot be located, CAGC asserted that "the Company's suppliers are publicly disclosed and have facilities near the Company."

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

Page | | of | 18 | (Add pages as required)

Case 2:12-cv-05039-RGK-PJW Document 11 Filed 06/19/12 Page 14 of 20 Page ID #:144

	1910-023
SHORT TITLE:	CASE NUMBER:
Gearing v. China Agritech	SC117290

ATTACHMENT (Number): FIR-7

(This Attachment may be used with any Judicial Council form.)

At all times relevant, plaintiffs did not discover the fraudulent acts by defendants China Agritech, Inc., Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, Kabani & Company, Inc., Crowe Horwath LLP, and Rodman and Renshaw LLC until on or about February of 2011 and thereafter.

At all times relevant, defendants Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, Kabani & Company, Inc., Crowe Horwath LLP, and Rodman and Renshaw, LLC knew or should have known that defendant China Agritech, Inc. maintained two separate and distinct sets of financial records and that China Agritech, Inc. had filed with the Chinese State Administration of Taxation and State Administration for Industry and Commerce for 2007, 2008, 2009 Annual Reports reflecting income approximately 1000% less than the documents reflecting China Agritech's financial income with the Securities and Exchange Commission for the same years. Additionally, defendants Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, Kabani & Company, Inc., Crowe Horwath LLP, and Rodman and Renshaw, LLC failed to request, review and demand that defendant China Agritech, Inc. turn over the financial records filed with the Chinese State Administration of Taxation and State Administration for Industry and Commerce and include them in their review, audit, opinions, conclusions, financial reports. Furthermore, defendants Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, Kabani & Company, Inc., Crowe Horwath LLP, and Rodman and Renshaw LLC failed to obtain them directly from the Chinese State Administration of Taxation and State Administration for Industry and Commerce.

Defendants Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, Kabani & Company, Inc., Crowe Horwath LLP, and Rodmand & Renshaw, LLC knew or should have known that there was a surge of Chinese companies filing documents with the SEC inserting different sets of numbers than their filing with the Chinese State Administration of Taxation and State Administration for Industry and Commerce documents. Had these defendants, namely Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, Kabani & Company, Inc., Crowe Horwath LLP, and Rodman & Renshaw, LLC, merely reviewed these conflicting documents, they would have uncovered the discrepancies in these filings, reported them to the U.S. government and further avoided the dissemination of false information to the American public.

Defendant Rodman & Renshaw LLC prepared and approved the Registration Statement and Prospectus filed with the SEC on or about April 28, 2010, while knowing the information contained in those documents were false. The fact that defendant Rodman & Renshaw approved such documents further validated and bolstered the financial strength of defendant China Agritech at the time, which was later known to be false and in conflict with the documents representing defendant China Agritech's true financial state filed with the Chinese State Administration of Taxation and State Administration of Industry and Commerce.

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

Page 12 of 18
(Add pages as required)

BAC OOF

SHORT TITLE: Gearing v. China Agritech CASE NUMBER: SC117290		1VIC-025
Gearing v. China Agritech SC117290	SHORT TITLE:	CASE NUMBER:
	Gearing v. China Agritech	SC117290

ATTACHMENT (Number): FIR-7 cont'd.

(This Attachment may be used with any Judicial Council form.)

Alternatively, at all times relevant, defendants Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, Kabani & Company, Inc., Crowe Horwath LLP, and Rodman and Renshaw LLC knew or should have known that defendant China Agritech, Inc. maintained two separate and distinct sets of financial record, they negligently failed to request, review and demand that defendant China Agritech, Inc. turn over the financial records filed with the Chinese State Administration of Taxation and State Administration for Industry and Commerce and include them in their review, audit, opinions, conclusions, financial reports filed with the SEC.

Defendant Kabani & Company, Inc. audited, reviewed, prepared, certified China Agritech, Inc.'s Annual Report and financial records for the year 2007 for the period ending on 12/31/2007 and filed on 03/28/2008 and signed off on the Annual Report for the period ending on 12/31/2008 filed on 03/31/2009 while knowing the information was false and/or alternatively, defendant Kabani & Company, Inc. failed to reasonably request, ask and demand to review China Agritech's full and complete financial records, including the filing they made with the Chinese State Administration of Taxation and State Administration of Industry and Commerce. As such, defendant Kabani & Company, Inc. was unreasonable and negligent in their accounting practices.

Defendant Crowe Horwath LLP audited, reviewed, prepared, certified China Agritech, Inc.'s Annual Report and financial records for the year 2008 for the period ending on 12/31/2008 and filed on 03/31/2009 and for the year 2009 for the period ending 12/31/2009 and filed on 04/01/2010 while knowing the information was false and/or alternatively, defendant Crowe Horwath LLP failed to reasonably request, ask and demand to review China Agritech's full and complete financial records, including the filing they made with the Chinese State Administration of Taxation and State Administration of Industry and Commerce. As such, defendant Crowe Horwath LLP was unreasonable and negligent in their accounting practices.

At all times relevant, plaintiffs read and reviewed the SEC filing statements for the year 2007, 2008, 2009, China Agritech's press releases, Registration Statement and Prospectus published by Rodman & Renshaw, LLC, and other publicly available information and were led to believe that the financial information published by defendants China Agritech, Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, the accounting firms Kabani & Company, Inc., Crowe Horwath LLP, and underwriter Rodman and Renshaw LLC were true, accurate and correct, which then caused plaintiffs to purchase China Agritech's stock and subsequently suffered damages in the amount of \$203,319.35.

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

Page 13 of 18
(Add pages as required)

		PLD-Pi	-001(2
ORT TITLE:	CAȘE NUMBER:		
	SC1	17290	
Second (number)	CAUSE OF ACTION—General Negligence	Page	14
ATTACHMENT TO	Cross - Complaint		
(Use a separate caus	e of action form for each cause of action.)		
GN-1. Plaintiff (name	Rosemary Gearing as Trustee and Thomas Gearing		·
alleges that d	efendant (name): China Agritech, Inc., Chang, Tang, Bennett, Teng, Z Dai, Zhang, Kabani & Company Ine., Clowe Horner K Renshaw, LLC	thu, Wang, La th LLP, Rodm	W;
V	Does 1 to 100		
negligently ca	(proximate) cause of damages to plaintiff. By the following acts or omissions to actused the damage to plaintiff $ebruary\ 3,\ 2011$, defendant	

at (place): Zip Code 90064 (Santa Monica) and 90067 (Century City), California

(description of reasons for liability):

All defendants failed to act reasonably and were negligent by engaging in the following conduct: Defendants and each of them talked to each other to create a common plan to obtain investors' money from the United States. The defendants by way of reverse merger merged themselves into China Agritech's corporation. They unreasonably, by verbal communications, publications, and financial statements overstated that they were a very successful fertilizer company, had many operational factories in China, were producing large quantities of agricultural products, and had profits much larger than they actually were. Financial statements were prepared without reasonable care by the defendants and these unreasonable financial statements were filed with the United States Securities Exchange Commission ("SEC"). Each defendant negligently failed to realize that the factories were closed, boarded up, non-functional, some had only small amount of manufacturing equipment, that the factories were producing any agricultural products were producing extremely less quantities than claimed, and they were exchanging contracts without reasonable care that were negligently drafted by their families friend and agents to make it unreasonably appear like they were conducting legitimate businesses, and they negligently filed official reports with China State Administration of Taxation and State Administration of Industry and Commerce inaccurately reflecting income 1000% less than the documents reflecting their financial income with the SEC. The defendants inadvertently and by sloppy inaccurate booking record kept two separate sets of financial books, one with an approximate income and expense records and one with sloppy inaccurate income and expense records. When defendants' negligence was discovered, China Agritech's stock, which at one time traded for \$30, dropped to \$.65, which is where it is trading as of June 4, 2012.

At all times relevant defendants and each of them, individually and through their friends and families and agents, held large quantities of China Agritech stock, which became unjustly inflated in value due to their intentional wrongful acts, and benefited extraordinarily when they sold the stock at the unjustifiable inflated price before their negligence was discovered and the stock crashed to \$0.65.

See attachment.

SH

Case 2:12-cv-05039-RGK-PJW Document 11 Filed 06/19/12 Page 17 of 20 Page ID #:147

		1410-020
SHORT TITLE:	CASE NUMBER:	•
Gearing v. China Agritech	SC117290	_

ATTACHMENT (Number): GN cont'd.

(This Attachment may be used with any Judicial Council form.)

Alternatively, at all times relevant, defendants Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, Kabani & Company, Inc., Crowe Horwath LLP, and Rodman and Renshaw LLC knew or should have known that defendant China Agritech, Inc. maintained two separate and distinct sets of financial record, they negligently failed to request, review and demand that defendant China Agritech, Inc. turn over the financial records filed with the Chinese State Administration of Taxation and State Administration for Industry and Commerce and include them in their review, audit, opinions, conclusions, financial reports filed with the SEC.

Defendant Kabani & Company, Inc. audited, reviewed, prepared, certified China Agritech, Inc.'s Annual Report and financial records for the year 2007 for the period ending on 12/31/2007 and filed on 03/28/2008 and signed off on the Annual Report for the period ending on 12/31/2008 filed on 03/31/2009 while knowing the information was false and/or alternatively, defendant Kabani & Company, Inc. failed to reasonably request, ask and demand to review China Agritech's full and complete financial records, including the filing they made with the Chinese State Administration of Taxation and State Administration of Industry and Commerce. As such, defendant Kabani & Company, Inc. was unreasonable and negligent in their accounting practices.

Defendant Crowe Horwath LLP audited, reviewed, prepared, certified China Agritech, Inc.'s Annual Report and financial records for the year 2008 for the period ending on 12/31/2008 and filed on 03/31/2009 and for the year 2009 for the period ending 12/31/2009 and filed on 04/01/2010 while knowing the information was false and/or alternatively, defendant Crowe Horwath LLP failed to reasonably request, ask and demand to review China Agritech's full and complete financial records, including the filing they made with the Chinese State Administration of Taxation and State Administration of Industry and Commerce. As such, defendant Crowe Horwath LLP was unreasonable and negligent in their accounting practices.

At all times relevant, plaintiffs read and reviewed defendant China Agritech, Inc.'s SEC filing statements, including but not limited to Annual Reports for the year 2007, 2008, 2009, Registration Statement and Prospectus prepared and published by defendant Rodman & Renshaw, LLC, press releases, and other publicly available information and were led to believe that the financial information published by defendants China Agritech, Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, the accounting firms Kabani & Company, Inc., Crowe Horwath LLP, and underwriter Rodman and Renshaw LLC were true, accurate and correct, which then caused plaintiffs to purchase China Agritech's stock and subsequently suffered damages in the amount of \$203,319.35.

At all times relevant, plaintiffs did not discover the negligent acts by defendants China Agritech, Inc., Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, Kabani & Company, Inc., Crowe Horwath LLP, and Rodman and Renshaw LLC until on or about February of 2011 and thereafter.

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

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(Add pages as required)

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		PLD-PI-001(3)
SHORT TITLE:		CASE NUMBER
Gearing v. China Agritech		SC117290
Third CAUSE (number)	E OF ACTION— Unjust +	Enrichment Page 16
ATTACHMENT TO Complaint	Cross - Complaint	
(Use a separate cause of action form for e	each cause of action.)	
IT-1. Plaintiff (name): Rosemary Gear	ing as Trustee of the T.J.G. Priva	te Annuity Trust and Thomas Gearing
alleges that defendant (<i>name</i>): Chin	ng, Kabani Kompany, Inc., Cri	ennett, Teng, Zhu, Wang, Dui, Law, owe-tlotwath LLP, Rodman o Renshawi,LLC
was the legal (proximate) cause of caused the damage to plaintiff on (date) or about 2/3/11	damages to plaintiff. By the following acts	s or omissions to act, defendant intentionally
at (place)zip code 90064 (Santa	a Monica) and 90067 (Century Cit	ty), California
(description of reasons for liability):	•	
Plaintiffs repeat, reallege, add every allegation contained in Negligence, inclusive, as thou	the First Cause of Action for Frau	all statement of facts and each and and the Second Cause of Action for
As a direct and proximate resunjustly enriched to plaintiffs in the amount of \$203,000 or	detriment. Therefore, plaintiffs:	et forth above, defendants have been request to be made whole by damages

,				PLD-PI-001(6
SHORT TITE	LE:		CASE NUMBER:	
	. China Agritech			
	Exemplary	Damages Attach	ment	Page <u>17</u>
ATTA	CHMENT TO Complaint Cr	oss - Complaint		
EX-1.	As additional damages against defendant (n	ame):		
	China Agritech, Inc., Chang, Tang, Kabani Company, Inc., Crow Hi Plaintiff alleges defendant was guilty of	Bennett, Teng, Zhu, W Olwath LLP,Rodman	ang, Law, Dai, ka « Renshaw, HC	thing, Zhang,
	✓ malice			
•	✓ fraud			
	oppression			
	as defined in Civil Code section 3294, and p to make an example of and to punish defend		lition to actual dama	ges, damages
EX-2.	The facts supporting plaintiff's claim are as fo	llows:		
	Defendants and each of them con	spired and communicat	ed with each oth	er to create a common
	plan to defraud United States investor reverse merger merged themselves in communications, publications, financompany, had many operational fact products, and had profits 10 times its for fiscal 2008. False financial statements were filed with a The truth was that each defendant up, non-functional, some had only some reproducing any agricultural proof that they were exchanging false contappear like they were conducting leg State Administration of Taxation and reflecting income 1000% less than the The defendants also kept two separate expense records and one with a compute defendants fraudulent scheme was defor \$30, dropped to \$.65, which is what to defendant China Agritech, I officers, ratified, approved and condeco-defendants', agents', employees', rauditing, and approving the records apublished statements and reports about production facilities while knowing to intended that plaintiffs rely on defendants.	nto China Agritech's co- cial statements that they ories in China, were pro- actual revenue for fisc ments were prepared by the United States Secur knew and understood the nall amount of manufact fucts were producing ex- racts between their familimate businesses, that a State Administration of the documents reflecting the sets of financial book to be fraudulent income tiscovered, China Agrite there it is trading as of J anc., corporate China A coned their CEO's, CFO the tradined accountants' acc and documents pertaining that such information ar their financial streng that such information ar	rporation. They were a very such ducing large qual 2009 and 14 ting the defendants a dities Exchange Chat the factories of the factories one with the and expense receptly stock, which the factories of the facto	represented by verbal cessful fertilizer antities of agricultural mes its actual revenue and these false commission ("SEC"). were closed, boarded at, that the factories antities than claimed, agents to make it al reports with China commerce and acome with the SEC. ctual income and cords. When that one time traded agh their corporate is of Directors's, entations by reviewing, financial records and doutput of their calse. Defendants
	representations were not true.			•

Case 2:12-cv-05039-RGK-PJW) Document 11 Filed 06/19/12 Page 20 of 20 Page ID #:150

	IVIC-U25
SHORT TITLE:	CASE NUMBER:
Gearing v. China Agritech	SC117290

ATTACHMENT (Number): EX-2

(This Attachment may be used with any Judicial Council form.)

Furthermore, when defendant China Agritech, Inc.'s corporate officers discovered the fraudulent misrepresentations, they failed to discipline and/or terminate their respective CEO, CFO, COO, Boards of Directors, co-defendants, agents, employees, retained accountants nor did they take any corrective measures, thereby ratifying and condoning their actions. Defendants intended that plaintiffs rely on the representations, all with full knowledge that such representations were not true.

As to defendants Kabani and Company, Inc. and Crowe Horwath LLP accounting firms and Rodman & Renshaw, LLC underwriting firm, defendants through their corporate officers ratified, approved and condoned their agents' and employees' actions and the actions of China Agritech, Inc., and China Agritech's CEO, CFO, COO, Boards of Directors, co-defendants, agents, employees by reviewing, auditing, and approving the records and documents pertaining to China Agritech's financial records and published statements and reports about China Agritech's financial strength, the status and output of their production facilities while knowing that such information and records were false.

Additionally, when defendants' corporate officers discovered the fraudulent misrepresentations, defendants Kabany & Company, Inc., Crowe Horwath LLP, and Rodman and Renshaw, LLC, failed to discipline and/or terminate their respective agents and employees nor did they take any corrective measures, thereby ratifying and condoning their actions. Defendants intended that plaintiffs rely on the representations, all with full knowledge that such representations were not true.

At all times relevant, plaintiffs read and reviewed the SEC filing statements for the year 2007, 2008, 2009, China Agritech's press releases, Registration Statement and Prospectus published by Rodman & Renshaw, LLC, and other publicly available information and were led to believe that the financial information published by defendants China Agritech, Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, the accounting firms Kabani & Company, Inc., Crowe Horwath LLP, and underwriter Rodman and Renshaw LLC were true, accurate, and correct, which then caused plaintiffs to purchase China Agritech's stock and subsequently suffered damages in the amount of \$203,319,35.

At all times relevant, plaintiffs did not discover the fraudulent acts by defendants China Agritech, Inc., Yu Chang, Yau-Sing Tang, Gene Michael Bennett, Xiao Rong Teng, Ming Fang Zhu, Zheng "Anne" Wang, Charles Law, Lun Zhang Dai, Hai Ling Zhang, Kabani & Company, Inc., Crowe Horwath LLP, and Rodman and Renshaw LLC until on or about February of 2011 and thereafter.

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

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